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Incidence of Taxation.

422. The incidence of taxation per head of population was Rs. 3-12-5 (Rs. 3-9-0) computed in respect of population of the wet Districts of the State leaving out the dry districts.

423. The grant that was being sanctioned for the purpose of temperance propaganda to the Mysore State Temperance Federation was stopped from 1953-54, the policy of the Government being one of prohibition which has been introduced to more than half of the State.

(iii) Sales Tax

424. This is the seventh year of the introduction of the Sales Tax Act.

425. The Commissioner of Excise continued to be the *Ex-officio* Commissioner of Sales Tax. The Deputy Commissioners' Divisions remained at two and the Sales Tax Officers' Circles at 12 inclusive of the non-resident dealers' Circle. One of the Sales Tax Officers was posted to the charge of this Circle and a seniormost Assistant Sales Tax Officer was promoted as Sales Tax Officer in the vacancy caused.

426. Eighteen Special Revenue Inspectors who were taken on deputation basis to speed up the collection of arrears and to conduct prosecutions in the Magistrates' Courts were continued during the year. One Executive Officer of the rank of a Sales Tax Officer was appointed in December 1954 with jurisdiction over the Bangalore and Mysore Districts to start with, to have an independent inspecting agency in this department for detecting cases of under-assessment or escapement of assessment and preventing leakage of revenue, the said Officer to work under the control of the Deputy Commissioner of Sales Tax, Bangalore Division, Bangalore.

Important changes made in the working of the Act, and Rules.

427. The Mysore Sales Tax (Amendment) Act, 1954, which received the assent of the President, on 30th September 1954 was published as Mysore Act No. 25 of 1954. The amendments introduced far reaching changes in the method and collection of Sales Tax and introduced single point tax in respect of 43 articles, as recommended by the Sales Tax Committee.

428. The Madras General Sales Tax (Mysore Amendment) Act, 1954 which received the assent of the President on 30th September 1954 was published as Mysore Act No. 26 of 1954 imposing additional tax of 3 pies in the Rupee on textiles made in mills except coarse and medium cotton cloth and section 5 of the principal Act was also amended.

429. On 12th June 1954 the Mysore Sales Tax Rules 1948 were amended by inserting a new Rule 46 (B) as follows :—

"46-B—The Commissioner of Sales Tax, may by order in writing at any time transfer an appeal or revision petition pending before a Deputy Commissioner of Sales Tax for disposal."

430. Orders were issued on 5th August 1954 exempting the articles made by the trainees in the Industrial Training Institute, Jalahalli, from the payment of Sales Tax with effect from 1st July 1950. On 5th October 1954 orders were issued authorising the Sales Tax Officer, Non-Resident Dealers' Circle, Bangalore to exercise the duties and perform the functions of an assessing authority in respect of the non-resident dealers regarding their turnover on sales in which as a direct result of such sales, the goods have been actually delivered to the dealers or consumers in the State of Mysore including Bellary District.

431. Orders were issued on 7th December 1954 authorising the Assistant Commercial Tax Officer, Bellary II, to exercise the powers and perform the functions of an assessing authority in respect of the non-resident dealers regarding their turnover on sales in which as a direct result of such sales, the goods have been actually delivered to the Dealers or Consumers in Bellary District.

432. Orders were issued on 17th December 1954 exempting from 1st January 1955 sales of artificial dentures fitted by Dental Surgeons on patients from the levy of Sales Tax throughout the Mysore State.

433. Orders were issued on 1st February 1955 appointing the first day of April 1955 to be the date on which all the sections of Mysore Sales Tax (Amendment) Act, 1954 (Mysore Act No. 25 of 1954) (except Section 1 which has already come into force) shall come into force in the State.

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434. Orders were issued on 1st February 1955 appointing the First day of April 1955 to be the date on which all the Sections of the Madras General Sales Tax (Mysore Amendment) Act 1954 (Mysore Act No. 26 of 1954) (except Section 1 which has already come into force) shall come into force in Bellary District.

435. Orders were issued on 16th March 1955 exempting firewood and charcoal from the levy of Sales Tax with effect from the 1st of April 1955 throughout the State of Mysore except Bellary District.

436. Orders were issued on 23rd March 1955 exempting Handloom cloth from the levy of Sales Tax with effect from 1st April 1955 in the Bellary District.

437. There were 22,887(23,046) Registered Dealers at the end of the year. Of these, 13,003 were assessed to tax and 7,318 were treated as having a turnover below 10,000. Two thousand five-hundred and sixty-six (1,773) cases were pending assessment. The amount of Registration fees was Rs. 1,35,637 (1,26,214) during the year.

438. The number of licences issued or renewed during the year was 2,071 (1,895) and the amount of licence fee collected was Rs. 4,18,131 (Rs. 3,83,022).

439. The total demand, collection and balance were Rs. 1,78,17,729, Rs. 1,33,38,425 and Rs. 44,79,304 respectively. A sum of Rs. 72,400 was also collected under fines and penalties during the year.

Appeals and Revision Petitions.

440. There were 2,017 (1,943) appeals and 1,771 (1,240) revision petitions to be dealt with during the year. Of these, 1,768 (1,644) appeals and 1,335 (983) revision petitions were disposed of, leaving a balance of 249 (299) appeal petitions and 436 (257) revision petitions at the close of the year.

Prosecutions.

441. There were 839 prosecutions pending at the beginning of the year. Three thousand three hundred and sixty cases were launched afresh. Out of 4,199 cases, 2,155 (2,220) were withdrawn, 97(64) resulted in acquittal and 1,220 (832) ended in conviction, leaving a balance of 727 (839) at the end of the year.

442. The total number of offences of all categories under Sections 20 was 4,162 (4,457) including cases pending at the beginning of the year. In 375 (908) cases, the

parties were let off with a warning. Three thousand six hundred and sixty-six (3,449) cases were compounded leaving a pendency of 121 (100) cases at the end of the year.

443. A sum of Rs. 15,573 was allowed as rebate in respect of the claim of the previous years.

444. Twenty-six (80) cases of agents of non-resident dealers were assessed to tax under Section 19 of the Act during the year.

445. The system of licences was being availed of by dealers and penalty licences were issued in all deserving cases.

446. The main recommendations of the Sales Tax Committee dealing with the following changes were approved by the Government and an Amendment Act 1954 was passed by the Legislature and the Act was brought into force from 1st April 1955:—

(1) Bringing a large number of commodities under the single point of taxation,

(2) Introducing a slab system for all commodities coming under the multi-point system, and

(3) Enlarging the list of exempted articles.

(iv) The Mysore Government Insurance Department.

447. The Insurance Department procured a record business in the Life Branch and took action for implementing a good number of the recommendations of the Insurance Re-organisation Committee.

448. A new rule was incorporated for conducting valuations once in three years.

449. According to amendment of rule 8, further insurance can be effected for 10 per cent of pay even when the official is not confirmed in the higher grade provided there is no chance of his reversion to the lower post. Official Branch new rule.

450. The Public Branch rules were amended in several respects with a view to giving more benefit to the Policy-holders and to make the scheme attractive in the field of business.

451. That portion of the rule which deals with the rebate for large sums assured was amended revising the rates of rebate varying from annas 8 per thousand sum Rebate for Heavy Assurances.